

June 29, 2000

Mr. S. Mario Stavale
Senior Project Manager
BOEING REALTY CORPORATION
4060 Lakewood Blvd., 6th Floor
Long Beach, California 90808-1700

**RE: Harbor Gateway, Phase III Facility – Demolition & Site Clearing
Los Angeles, California**

Dear Mario:

Enclosed is our contract to provide construction management services for the Phase III demolition requirements of Boeing Realty Corporation ("Boeing") at the Harbor Gateway, California facility. The Scope of Work contained in Exhibit B is tailored to provide overall project consulting, planning assistance and a yet to be determined level of field assistance to your on-site representative, Johnny Marasco.

Alternative approaches to implementing the Scope of Work are presented below depending on the amount of on-site assistance that is desired. Under Alternative 1, Snyder Langston would assist with planning, provide advice during the demolition process, visit the site several times a week with supervisory personnel and provide project management personnel to assist in processing paperwork. Under Alternative 2, Snyder Langston would provide the Alternative 1 services plus provide full time field supervision with one of our superintendents.

Estimated average weekly professional fees for project personnel during the actual demolition and grading period are summarized as follows:

Classification	Alternative 1		Alternative 2	
	Hours	Cost	Hours	Cost
Senior Management	8	\$1,200	4	\$600
Project Management	16	\$1,520	40	\$3,800
Project Engineer	8	\$560	4	\$280
Administration & Accounting	4	\$200	4	\$200
Estimated Weekly Fees	32	\$3,480	60	\$4,880

The above estimate does not include professional services during the demolition planning phase or the post demolition site work phase. The estimate also assumes that all other project costs are paid directly by Boeing.



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The lower cost advantage of Alternative 1 is provided by reducing the field supervision component of our scope. Conversely, Alternative 2 provides more supervision in the field but at a higher cost.

The hourly rates have been adjusted from our proposal of April 3, 2000 to reflect a more significant consulting role and a reduced construction management role. The comparison of the original proposal to the new alternatives as follows:

	Original Proposal	Alternative 1	Alternative 2
Estimated Weekly Professional Fees – Rounded	----	\$ 3,500	\$ 5,000
Monthly Expenses / Professional Fees	\$25,000	\$14,000	\$20,000
Total Construction Management Fee (1)	\$80,000	\$30,000	\$50,000

(1) The Total Construction Management Fee assumes a six month demolition period and is in addition to the Monthly Expenses / Professional Fees.

Since we are already working on the project, we would like to finalize our agreement and adjust later, if necessary. Please contact Fred Wallitsch at (310) 536-6000 or me at (949) 863-9200 to discuss any questions you may have and how we should proceed.

Thank you for the opportunity to be involved with this project.

Sincerely,
Snyder Langston

A handwritten signature in black ink, appearing to read 'Kent F. Haggerty', with a stylized flourish at the end.

Kent F. Haggerty
Principal